



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-861/867]

Certain Cases for Portable Electronic Devices; Commission Determination not to Review an Initial Determination Granting Complainant's Motion for Summary Determination of Violation by the Defaulting Respondents; Request for Written Submissions

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review the presiding administrative law judge's ("ALJ") initial determination ("ID") (Order No. 28) granting summary determination that the following defaulting respondents have violated section 337: Anbess Electronics Co. Ltd. of Shenzhen, China ("Anbess"); ROCON Digital Technology Corp. of Shenzhen, China ("Rocon"); Trait Technology (Shenzhen) Co., Ltd. (d/b/a Trait-Tech) of Shenzhen, China ("Trait"); Hongkong Wexun Ltd. (Wexun Tech (Hong Kong) Co., Ltd.) of Guangdong, China ("Wexun"); SW-Box.com (*aka* Cellphonezone Limited) of Sheung Wan, Hong Kong ("SW-Box"); and Global Digital Star Industry, Ltd. of Shenzhen City, China ("Global").

FOR FURTHER INFORMATION CONTACT: Panyin A. Hughes, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-3042. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The

public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted Inv. No. 337-TA-861 on November 16, 2012, based on a complaint filed by Speculative Product Design, LLC of Mountain View, California ("Speck"). 77 *Fed. Reg.* 68828 (Nov. 16, 2012). The complaint alleged violations of section 337 of the Tariff Act of 1930, as amended, (19 U.S.C. § 1337) in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain cases for portable electronic devices by reason of infringement of various claims of United States Patent No. 8,204,561 ("the '561 patent"). The complaint named several respondents.

The Commission instituted Inv. No. 337-TA-867 on January 31, 2013, based on a complaint filed by Speck. 78 *Fed. Reg.* 6834 (Jan. 31, 2013). That complaint also alleged violations of section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337) in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain cases for portable electronic devices by reason of infringement of various claims of the '561 patent. The complaint named several additional respondents. On January 31, 2013, the Commission consolidated the two investigations. *Id.*

All of the respondents that participated in the investigation have been terminated from the investigation. Specifically, respondents JWIN Electronics Corp., dba iLuv of Port Washington, New York and Fellowes, Inc. of Itsaca, Illinois were terminated from the investigation based upon settlement agreements. Respondents Project Horizon, Inc., d/b/a/ InMotion Entertainment of Jacksonville, Florida and En Jinn Industrial Co., Ltd. of New Taipei City, Taiwan were

terminated from the investigation based upon consent order stipulations. Respondents Superior Communications, Inc. of Irwindale, California and Shengda Huanqiu Shijie of Shenzhen, China were terminated from the investigation based upon withdrawal of allegations pertaining to them from the complaint. Respondent Jie Sheng Technology of Tainan City, Taiwan was terminated from the investigation based upon amendment to the complaint and notice of investigation. Respondent Body Glove International, LLC of Redondo Beach, California was terminated from the investigation based upon a finding that it had committed no acts in violation of section 337.

The following respondents were found in default: Anbess, Rocon, Trait, Wexun, SW-Box, and Global. Accordingly, the only parties remaining active in this investigation are Speck and the Commission investigative attorney (“IA”).

On August 19, 2013, Speck filed a motion for summary determination that it has satisfied the domestic industry requirement under sections 337(a)(3)(A), (B), and (C) (not including licensing). On August 19, 2013, the IA filed a response in support of Speck’s motion that it has satisfied the domestic industry requirement under section 337(a)(3)(C). On September 10, 2013, the ALJ issued an ID (Order No 15) granting Speck’s motion in part. Specifically, the ALJ found that Speck established a domestic industry for the ’561 patent under section 337(a)(3)(C). On October 23, 2013, the Commission determined not to review the ID.

On September 30, 2013, the ALJ granted a motion by Speck to terminate the investigation as to claims 1-3, 6-8, 10, and 12-16 of the ’561 patent. On November 11, 2013, the Commission determined not to review. Thus, claims 4, 5, 9, and 11 remain pending in the investigation.

On November 15, 2013, Speck filed a motion for summary determination of violation with respect to the defaulting respondents. On November 26, 2013, the IA filed a response in

support of Speck's motion. On February 21, 2014, the presiding ALJ issued the subject ID, Order No. 28, granting the motion. He also recommended issuance of a general exclusion order and the imposition of a bond of 100 percent of entered value during the period of Presidential review.

Having considered the subject ID and the relevant portions of the record, the Commission has determined not to review the ID based on the substantial, reliable, and probative evidence establishing a violation by the defaulting respondents.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers.

The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005. 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Complainant and the Commission investigative attorney are also requested to submit proposed remedial orders for the Commission's consideration. Complainant is also requested to state the date on which the '561 patent expires and the HTSUS subheadings under which the accused products are imported.

Written submissions must be filed no later than close of business on April 23, 2014. Reply submissions must be filed no later than the close of business on April 30, 2014. Such submissions should address the ALJ's recommended determinations on remedy and bonding which were made in Order No. 28. No further submissions on any of these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit eight true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of

Practice and Procedure (19 C.F.R. 210.4(f)). Submissions should refer to the investigation number (“Inv. No. 337-TA-861/867”) in a prominent place on the cover page and/or the first page. (*See Handbook for Electronic Filing Procedures*, http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.pdf). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 C.F.R. § 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with the any confidential filing. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission’s determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in Part 210 of the Commission’s Rules of Practice and Procedure (19 C.F.R. Part 210).

By order of the Commission.

Lisa R. Barton,
Acting Secretary to the Commission.

Issued: April 8, 2014.

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